

and 568G(a) of Article 43 of the Annotated Code of Maryland (1964 Supplement), title "Health," subtitle "Hospitals," subheading "Maryland Hospital Commission," clarifying that the maximum interest rate which may be charged on a hospital loan made under said chapter shall be $4\frac{1}{8}\%$; providing for payment into the Annuity Bond Fund of unexpended loan funds and payments of principal and interest on loans to hospitals; in connection with meeting annual debt service requirements of "Hospital Construction Loan of 1964," clarifying the levy procedure to be followed after the change in State taxable year beginning July 1, 1966; clarifying the basis for determination of the rate of interest to be charged on a hospital loan; and clarifying the definition of voluntary, nonprofit hospitals.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 5 and 6 of Chapter 138 of the Laws of Maryland of 1964, known as the "Hospital Construction Loan Act of 1964," be and they are hereby repealed and re-enacted, with amendments, to read as follows:

5.

The actual cash proceeds of the sale of the Certificates of Indebtedness to be issued under this Act shall be paid to the Treasurer of the State upon the warrant of the Comptroller, and such proceeds shall be used exclusively for the following purposes, to wit:

The Comptroller shall, immediately upon the sale of and payment for said certificates, first return to and credit the Treasury for a sum equivalent to the amount expended as provided for in Section 4 of this Act; the remainder of the proceeds of said loan shall be credited on the books of the State Treasury Department, to be used as needed by the State, upon approval by the Board of Public Works, and in accordance with the provisions of the subheading "Maryland Hospital Commission," in the subtitle "Hospitals," in Article 43 of the Annotated Code of Maryland, for loans to be made to voluntary, nonprofit hospitals for the construction, expansion, relocation, replacement or modernization of their hospital buildings, facilities and equipment. For the purposes of these expenditures, the provisions and requirements of said subheading are incorporated with this section. No loan made hereunder shall be made at a rate of interest greater than four *and one-eighth* per centum **[(4%)]** ($4\frac{1}{8}\%$) *per annum*.

At any time after June 30, 1970, the Board of Public Works may direct that all loan funds constituting part of the proceeds of certificates of indebtedness issued under this Act and not previously or then expended, granted or contracted for shall be transferred to the Annuity Bond Fund and shall be applied to the debt service requirements of the State; and all payments of principal and interest received by the State on account of loans made to hospitals under this Act shall be placed in the said Annuity Bond Fund and so applied.

6.

Until all of the interest on and principal of any certificates issued under this Act have been paid in full, there is hereby levied and imposed an annual State tax on each \$100 of assessable property, at